

HB 40 -- Excise Tax on Controlled Substances and Illicit Alcoholic Beverages

Sponsor: Roorda

This bill imposes an excise tax on controlled substances and illicit alcoholic beverages at specified rates. The Director of the Department of Revenue will issue stamps to affix to unauthorized substances to indicate payment of the required tax. Dealers must report the taxes payable on a form prescribed by the department director but are not required to give any identifying information.

Law enforcement must report to the department within 48 hours of an arrest or seizure involving specified unstamped, unauthorized substances so that the excise tax along with the applicable penalties and interest can be assessed and collected. Any tax proceeds will be deposited into the newly created State Unauthorized Substances Tax Fund to investigate, combat, prevent, and reduce drug-related crimes as well as to fund drug treatment and anti-drug public awareness programs and to pay the costs of storing and disposing of seized substances.

A five-member Unauthorized Substance Tax Commission is established to review the rates of the tax and make recommendations concerning increases in the rate to the General Assembly.